



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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Fifth District

August 16, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "WTF", is written over the printed name of William T. Fujioka.

REQUEST FOR EXTENSION OF REPORT BACK ON THE ESTABLISHMENT OF A BOND ASSISTANCE PROGRAM (FEBRUARY 23, 2010, AGENDA ITEM NO. 3)

On February 23, 2010, your Board directed this Office, in collaboration with the Treasurer and Tax collector, Internal Services Department, Department of Public Works, and Community Development Commission to determine the feasibility of establishing a Bond Assistance Program that would provide County-supported bond guarantees to local, small, minority, and woman-owned contractors.

In response to your order, we have made significant progress in identifying models in other jurisdictions that could be modified for implementation in the County of Los Angeles. Currently we are exploring utilizing the Job Order Contract (JOC) process to recruit small and minority-owned businesses for a Business Boot Camp in conjunction with bond assistance. The City of Los Angeles and Los Angeles Unified School District currently have such a program that allows businesses the bond assistance and teaches them, in a year long program, the fundamentals of business management for sustainability. In addition, utilizing JOC as the vehicle for bond assistance, limits the County's exposure to \$200,000 to \$400,000 per contractor versus several millions that would be required to underwrite the entire project cost. Staff is now researching the Public Contract Code that may require a legislative change in stature to develop a program to limit bonding to work authorization. The Legislature is currently on recess but we are researching bills to which we could attach such a change in statute when it is back in session.

"To Enrich Lives Through Effective And Caring Service"

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Each Supervisor
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The benefits of a comprehensive program that teaches fundamental business skills while keeping the contractor with steady work through JOC and support by bond assistance will produce viable, sustainable businesses that will be in a strong position to compete for future work and the addition of jobs. Additionally, we can graduate participants annually and bring in new recruits the following year with the same monetary investment.

We request an extension on reporting on this assignment until October 3, 2011 when we have had the opportunity to work with the State Legislature during the final sessions of this year.

Should you have any questions in the interim, your staff may contact Jan Takata at (213) 974-1360, or Massood Eftekhari of the Department of Public Works at (626) 458-4016.

WTF:RLR:os

c: Executive Office, Board of Supervisors
County Counsel
Community Development Commission
Internal Services
Public Works
Treasurer and Tax Collector